

LEGISLATIVE UPDATE

SWIB Board Meeting, March 24, 2010
Dale Smith, Deputy Executive Director, MDES



ISSUES FOR 2010 SESSION

- ⊙ Reauthorization
- ⊙ WET Fund
- ⊙ Changes to UI Fund targets
- ⊙ Revenue
- ⊙ UI Stimulus

REAUTHORIZATION

- ⊙ MDES, SWIB and others
 - ⊙ Authorizing legislation sunsets June 30, 2010
 - ⊙ All functions cease
 - ⊙ No USDOL takeover
 - ⊙ Loss of over \$1 billion to MS
 - ⊙ Loss of lifeline to unemployed
 - ⊙ Loss of many no charge benefits (placement, job search skills, resume preparation, STEPS,...)

WET FUND

- ⊙ WET Fund sunset December 31, 2009
- ⊙ Historic effort to reauthorize on 1st day
 - ⊙ Governor, Lt. Governor and Speaker supported
- ⊙ Sets triggers to insured unemployment rate
- ⊙ Will trigger off and on automatically
- ⊙ No repealer



CHANGE UI FUND TARGETS

- ⊙ Lowers funding targets for UI Trust Fund
- ⊙ Achieves funding targets proposed by 2005 law
- ⊙ Targets consistent with USDOL recommendations

STATE REVENUE

- ◎ Wagner Peyser, UI and WIA are federally funded
- ◎ MDES is federally funded
- ◎ Funding must be appropriated by state legislatures for each
- ◎ State funding is issue this year at the Legislature
- ◎ MDES and our funding streams are caught up in the state revenue shortfall
- ◎ MDES budget is set to be cut by several million dollars unless we can negotiate a change

UI MODERNIZATION

- ◎ Provision of ARRA (American Recovery and Reinvestment Act)
- ◎ Provides temporary incentive funding for states to expand unemployment benefits
- ◎ Changes the period used to compute claim amounts
- ◎ Allows people who leave work for family reasons to receive unemployment benefits
- ◎ Allows unemployment payments to students
- ◎ Allows for dependant allowances to be paid from unemployment trust funds